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July 17, 1996

Interstate Commerce Commission
Surface Transportation Board
Twelfth & Constitution Ave., N.W.
Room 2311
Washington, D.C. 20423-0001

RE: Lease of Locomotive Equipment
Midwest Metallics L.P., Lessor
Gandy Dancer, Inc., Lessee

Dear Sir/Madam:

I have enclosed an original and one copy of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a lease of locomotive equipment and is a primary document dated July 1, 1996. The names and addresses of the parties to the documents are as follows:

Lessor

Midwest Metallics L.P.
P.O. Box 12
53rd Street & Joliet Road
McCook, IL 60525

Lessee

Gandy Dancer, Inc.
4420 W. Vickery, #110
Fort Worth, TX 76107

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20193

JUL 23 1996 10 18 AM

JUL 23 10 18 AM '96

RECEIVED
SURFACE TRANSPORTATION
BOARD

**SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001**

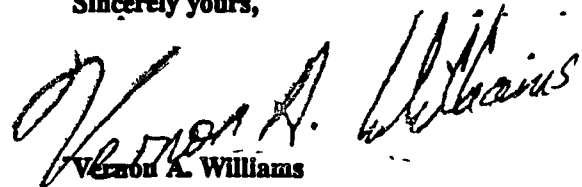
7/23/96

Richard F. Loritz
Loritz & Associates
1100 Ravinia Place
Orland Park, Illinois 60462

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/23/96 at 10:20AM, and assigned recordation number(s). 20193.

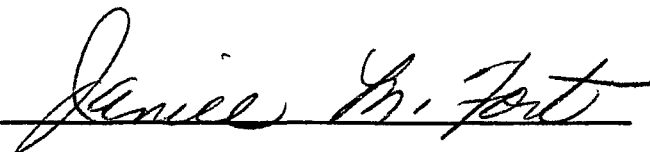
Sincerely yours,


Vernon A. Williams
Secretary

Enclosure(s)

\$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



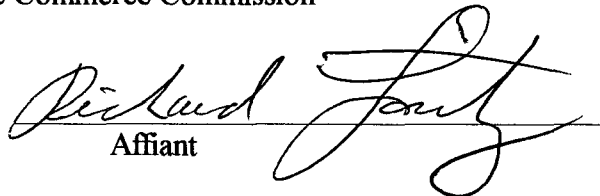
STATE OF ILLINOIS)
) ss
COUNTY OF C O O K)

AFFIDAVIT

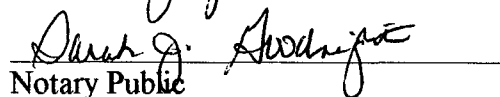
The undersigned states that he has read a true copy of the original document and that the document attached hereto is a complete and identical document in all respects to the original

The undersigned has compared the copy with the original and has found the copy to be complete and identical in all respects to the original document

This Affidavit is made pursuant to the procedures in Section 117 3(2)(b) relative to the recordation of documents with the Interstate Commerce Commission


Affiant

Subscribed and sworn to
before me this 1st day of
July, 1996


Notary Public



LEASE/PURCHASE AGREEMENT

This Lease made the 1st day of July, 1996 by and between Locomotive Div. of Midwest Metallica L.P., P.O. Box 12, 53rd St. & Joliet Rd. McCook, Il. 60525, (Hereinafter referred to as the "Lessor"), and Gandy Dancer, Inc., 4420 W. Vickery, #110, Fort Worth, Tx. 76107 (Hereinafter referred to as the "Lessee").

WITNESSETH

For and in consideration of the mutual covenants and promises hereinafter set forth, Lessor and Lessee agree as follows:

1. LEASE

Lessor hereby leases to Lessee and Lessee leases and hires from Lessor (Hereinafter referred to as the Equipment). Locomotive Unit No.2058 xRTSF Frame No.5219

2. TERM

The term of this lease shall be for a period of 36 months, commencing on Aug.1,1996, and terminating on July 31,1999. The equipment will be delivered to the Lessee by the Lessor by rail, collect. Upon termination of the lease for any reason other than the purchase of the equipment by the Lessee, the equipment should be returned to the Lessor by rail, freight prepaid, in the same condition as delivered to the Lessee, normal wear and tear expected.

3. RENT

The rent to be paid by Lessee to Lessor for such equipment shall be a total of \$75,506.22, payable in monthly installments of \$2097.37 each monthly installment being due on the 1st day of each month. Rent shall be payable to Lessor at P.O. Box 12, McCook, Il. 60525, or as the Lessor may direct from time to time by written instruction to Lessee. "See Appendix "B" Payment Schedule."

4. OPTION TO PURCHASE

In consideration of the execution and delivery of this lease, and the additional consideration of \$10.00, the receipt and sufficiency of which is hereby confessed, the Lessor hereby grants the Lessee an option to purchase the equipment forming the subject matter of this lease in the following manner: Lessee may purchase equipment at termination of this lease with the payment of \$1000.00 each locomotive. The purchase price shall be paid to the Lessor upon the closing of the sale which shall be no later than 10 days after the termination date of lease and at which closing the lessor shall deliver all documents of Title required, with appropriate warranties that said locomotive is free and clear of all liens and encumbrances.

Further, Lessee may exercise option to purchase any of the equipment items prior to expiration of lease by tendering the Lessor the remaining balance as of the date of exercise, discounted to present value and for unearned interest, in accordance with the the amortization schedule attached hereto as Appendix B, plus the option purchase price of \$1000.00 per locomotive. In the event the Lessee chooses not to exercise the option to purchase, then the equipment will be returned, freight prepaid by rail, to the Lessor immediately upon termination of the Lease.

Lessee, at its own cost and expense, shall keep the equipment in good repair, condition and working order and shall furnish any and all parts, mechanisms and devices required to keep the equipment in good repair, condition and working order. All repairs, parts, mechanisms and devices furnished or affixed to equipment shall thereupon belong to and become the property of Lessor.

5. LOSS, THEFT AND DAMAGE

Lessee hereby assumes and shall bear the entire risk of loss, theft and damage to the equipment from any and every cause whatsoever. No loss, theft or damage of the equipment or any part thereof shall impair any obligation of Lessee under this lease which shall continue in full force and effect.

6. INSURANCE AND OTHER DOCUMENTS

The Lessee agrees to execute any and all UCC documents and/or ICC documents and/or security agreements, all of which may be filed in the appropriate government offices at the expense of the Lessee, in order to establish that the Lessor is the proper owner and the only right, title or interest vested in the Lessee is pursuant to the lease.

7. ENCUMBRANCES AND TAXES

Lessee shall keep the equipment free and clear of all levies, liens and encumbrances and shall pay all license fees, registration fees, assessments, charges and taxes (Municipal, State and Federal) which may now or hereafter be imposed upon the ownership, leasing, renting, sale, possession or use of the equipment.

8. INDEMNITY

Lessee shall indemnify Lessor against, and hold Lessor harmless from any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities including attorney's fees arising out of, connected with or resulting from the use, operation or return of the equipment.

Lessor hereby warrants that it has good title to the equipment being leased hereunder, free from the claims of third parties.

9. DEFAULT

Any of the following events or conditions shall constitute an event of default hereunder:

A. Nonpayment of any rent or other amount provided for in this lease or any schedule for ten days after the same has become due, whether by acceleration or otherwise or default by Lessee in the performance of any other obligation, term or condition of this lease.

B. If any writ or order of attachment or execution or other legal process is levied on or charged against any or all equipment and is not released or satisfied within ten days of notice to Lessee.

C. The adjudication of Lessee as bankrupt by a court of competent jurisdiction.

D. The filing by or against Lessee of a petition for reorganization under the Bankruptcy Act or any similar statute, or the filing by Lessee of a petition for an arrangement under the Bankruptcy Act or any similar statute.

E. The making of any general assignment by Lessee for the benefit of creditors, the appointment of a Receiver or Trustee for Lessee or for any of Lessee's assets, or the institution by Lessee of any other type of insolvency proceeding (under the Bankruptcy Act or otherwise) or of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs by Lessee.

F. The occurrence of any event described in this paragraph 9 (C) (D), or (E) hereof with respect to any guarantor or any other party liable for payment or performance of this lease, or;

G. If any certificate, statement, representation, warranty or audit heretofore or hereafter furnished by or on behalf of Lessee or any guarantor or other party liable for payment or performance of this lease, pursuant to or in connection with this lease proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or to have omitted any substantial contingent or unliquidated liability or claim against Lessee or any sub-guarantor or other party, or if upon the date of execution of this lease, there shall have been any materially adverse change of any of the facts disclosed by any such certificate, statement, representation, warranty or audit, which change shall not have been disclosed to Lessor at or prior to the time of such execution.

10. REMEDIES

Upon the happening of any event of or default hereunder, Lessor may at its sole election and except for lease payments:after providing Lessee 30 days written notice in which Lessee shall have an opportunity to cure any of said defaults:

A. Declare due, sue for and recover from Lessee an amount equal to the present value of all rent and other amounts to become payable by Lessee under this lease, computed at the prime loan rate charged by the Continental Illinois National Bank and Trust Co. of Chicago for short term borrowings in effect at the time of such payment from the date of such declaration to the date or dates of expiration of the terms with respect to equipment, or terminate this lease as to any and all equipment.

B. Terminate any other lease or agreement between Lessor and Lessee; and

C. Pursue any other remedy at law or in equity.

Neither this lease nor any interest herein is assignable or transferable by operation of law. In the event of default, if Lessor elects to terminate this lease, such termination shall occur immediately, upon the expiration of 30 days from date of written notice of Lessor's intention to terminate this lease in which the Lessee would have an opportunity to cure, and this lease, after termination, shall not thereafter be treated as an asset of Lessee.

In the event the equipment is repossessed by or surrendered to Lessor, Lessor may sell, lease or otherwise dispose of such equipment upon the giving of 30 days written notice to lessee of the date, time and place of sale of the equipment in order to allow the lessee an opportunity to appear and bid on said equipment. The net proceeds thereof (after deducting all expenses, including attorney's fees incurred in connection therewith), will be applied to the payment of Lessee's obligations hereunder.

Anything to the contrary herein notwithstanding, prior to the exercise of any remedy by Lessor for default, thirty days shall be allowed Lessee to cure such default after written notice of such default from Lessor, except in the case of failure to pay rent, in which case the Lessor may proceed to any remedy for default after providing Lessee ten days written notice in which Lessee shall have an opportunity to cure said rental default.

11. CONCURRENT REMEDIES

No right or remedy herein conferred upon or reserved by Lessor is exclusive of any right or remedy herein or provided or permitted by law or equity, but shall be cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time.

12. LESSOR'S EXPENSES

Lessee shall pay Lessor all costs and expenses, including attorney's fees, incurred by Lessor in exercising any of the Lessor's rights or remedies hereunder or enforcing any of the terms, conditions and provisions hereof.

13. OWNERSHIP

The equipment is, and shall at all times be and remain, the sole and exclusive property of Lessor and Lessee shall have no right, title or interest therein or thereto except as expressly set forth in this lease.

14. LATE CHARGES

If Lessee fails to pay any part of the rent or other amounts provided for in this lease when due, whether by acceleration or otherwise, Lessee shall, on Lessor's demand, pay interest to Lessor at the rate of 10% per annum on such delinquent payment from the due date thereof until the date such rent or other payment is received by the Lessor together with a one time service charge of \$25.00.

15. AMENDMENTS

This lease shall not be amended, altered or changed except by written agreement signed by the Lessor and Lessee.

16. NOTICES

Service of all notices under this lease shall be sufficient if given personally or mailed by the party involved at it's respective address or at such address as such party may provide in writing from time to time. Any such notice mailed to such address shall be effective when deposited in the U.S. Mail, duly ad-dressed and with postage prepaid.

17. WARRANTY

Lessor shall further provide the warranties to Lessee set out in appendix A attached hereto and incorporated herein for all intents and purposes.

18. ABATEMENT OF RENT

In the event any of the items warranted in Appendix A hereinabove should fail during the first ninety (90) days of this lease, Lessor shall replace such failed warranted items (which replacement shall include the materials therefor) within five (5) days after receipt of written notice of such failure ("Replacement Period"). If Lessor fails to effect the replacement within the Replacement Period, the rent applicable to the locomotive for which the replacement is necessary shall be abated (the "Abated Rent") during the period necessary to effect the replacement.

IN WITNESS WHEREOF, Lessor and Lessee have executed these
present the day and year first above written.

LESSOR

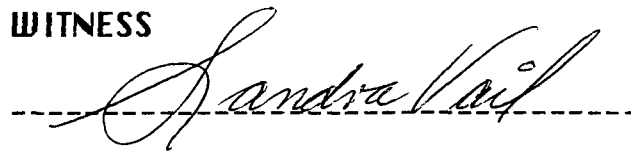
Midwest Metallica L.P.



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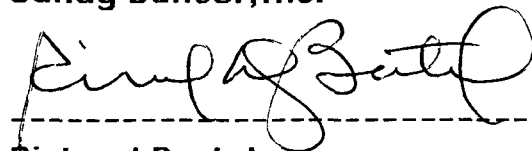
General Manager, McCook

WITNESS



LESSEE

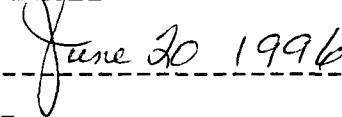
Gandy Dancer, Inc.



Richard Bertel

President

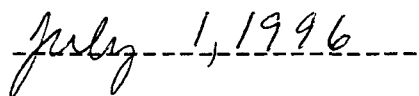
DATED



WITNESS



DATED



LEASE PURCHASE AGREEMENT

APPENDIX A

WARRANTY

Lessor warrants to Lessee that locomotive is in good working order as per final inspection by your inspector, and will have a completed 720 day F.R.A. Inspection for the locomotive.

Lessor will replace any major component (engine, generator, traction motor and air compressor) due to fair wear and tear, freight prepaid, for a period of 90 days from date of shipment. This does not include the installation of such parts.



Midwest Metallica L.P.

Locomotive Division

APPENDIX "B"

Loan Amortization Worksheet

LOAN DATA		TABLE DATA	
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Loan amount: \$85,000.00
 Annual interest rate: 10.00%
 Term in years: 3
 Payments per year: 12
 First payment due: 7/1/96

Table starts at date: 7/1/96
 or at payment number: 1

PERIODIC PAYMENT

Entered payment: \$12,097.27
 Calculated payment: \$12,097.27

The table uses the calculated periodic payment amount, unless you enter a value for "Entered payment."

CALCULATIONS

Use payment of: \$12,097.27
 1st payment in table: 1

Beginning balance at payment 1: \$85,000.00
 Cumulative interest prior to payment 1: \$0.00

Table

No.	Payment Date	Beginning Balance	Interest	Principal	Ending Balance	Cumulative Interest
1	7/1/96	85,000.00	541.87	1,555.70	83,444.30	541.67
2	8/1/96	83,444.30	628.70	1,668.68	81,775.63	1,070.37
3	9/1/96	81,775.63	615.63	1,581.74	80,293.90	1,586.00
4	10/1/96	80,293.90	602.45	1,594.92	78,698.98	2,088.45
5	11/1/96	78,698.98	489.18	1,608.21	77,090.77	2,577.61
6	12/1/96	77,090.77	476.76	1,621.61	75,469.16	3,053.36
7	1/1/97	75,469.16	462.24	1,635.12	73,834.04	3,515.61
8	2/1/97	73,834.04	448.62	1,648.75	72,185.29	3,964.22
9	3/1/97	72,185.29	434.88	1,662.49	70,522.80	4,399.10
10	4/1/97	70,522.80	421.02	1,676.34	68,846.46	4,820.12
11	5/1/97	68,846.46	407.05	1,690.31	67,156.14	5,227.18
12	6/1/97	67,156.14	392.87	1,704.40	65,451.74	5,620.15
13	7/1/97	65,451.74	378.78	1,718.60	63,733.14	5,998.91
14	8/1/97	63,733.14	364.44	1,732.82	62,000.21	6,363.35
15	9/1/97	62,000.21	350.00	1,747.37	60,252.85	6,713.35
16	10/1/97	60,252.85	335.44	1,761.93	58,490.92	7,048.79
17	11/1/97	58,490.92	320.76	1,776.61	56,714.31	7,369.55
18	12/1/97	56,714.31	305.95	1,791.41	54,922.90	7,675.51
19	1/1/98	54,922.90	291.02	1,806.34	53,116.55	7,966.53
20	2/1/98	53,116.55	275.87	1,821.40	51,295.16	8,242.50
21	3/1/98	51,295.16	260.79	1,836.57	49,458.58	8,503.29
22	4/1/98	49,458.58	245.49	1,851.88	47,606.70	8,748.78
23	5/1/98	47,606.70	230.08	1,867.31	45,739.39	8,978.84
24	6/1/98	45,739.39	214.49	1,882.87	43,856.52	9,193.33
25	7/1/98	43,856.52	198.80	1,898.56	41,957.96	9,392.14
26	8/1/98	41,957.96	182.98	1,914.38	40,043.57	9,575.12
27	9/1/98	40,043.57	167.03	1,930.34	38,113.24	9,742.15
28	10/1/98	38,113.24	150.94	1,946.42	36,166.81	9,893.09
29	11/1/98	36,166.81	134.72	1,962.64	34,204.17	10,027.82
30	12/1/98	34,204.17	118.37	1,979.00	32,225.17	10,146.18
31	1/1/99	32,225.17	101.88	1,995.49	30,229.68	10,248.06
32	2/1/99	30,229.68	85.25	2,012.12	28,217.56	10,333.31
33	3/1/99	28,217.56	68.48	2,028.89	26,188.67	10,401.79
34	4/1/99	26,188.67	51.57	2,045.79	24,142.88	10,453.36
35	5/1/99	24,142.88	34.52	2,062.84	22,080.03	10,487.88
36	6/1/99	22,080.03	17.33	2,080.03	0.00	10,505.22